

IN RE: James H. Moore)
Dist.24, Map 100, Control Map 100) Wilson County
Parcel 31.02, S.I. 000)
Residential Property)
Tax Year 2005)

The Wilson County Assessor of Property ("Assessor") valued the subject property for tax purposes as follows:

Land Value	Improvement Value	Total Value	Assessment
\$60,000	\$30,600	\$90,600	\$22,650

An Appeal has been filed on behalf of the property owner with the State Board of Equalization on July 20, 2005.

This matter was reviewed by the undersigned administrative law judge pursuant to Tennessee Code Annotated (T.C.A.) §§ 67-5-1412, 67-5-1501 and 67-5-1505. This hearing was conducted on February 27, 2006 at the Wilson County Property Assessor's Office; present at the hearing were James H. Moore, the taxpayer, who represented himself, Jimmy Locke, the Wilson County Property Assessor and Jeff White and Kevin Woodard also from for the Wilson County Property Assessor's Office.

Findings of Fact and Conclusions of Law

The subject property consists of a single family residence located on 13250 Central Pike, in Mt. Juliet, Tennessee.

Mr. Moore presented a portfolio of information.¹ Included in the portfolio are several color copies of the subject property and comparable property. Mr. Moore stated that he purchased his mobile home in 1991² for \$23, 977.00; the land on his property has sink holes and lots of rocks. Mr. Moore has also produced documents (Comparative Market Analysis) that purport to support his contention of value; the documents use

¹ For the record this is collective exhibit number 2.

² Mr. Moore said his home is over 15 years old, he also stated that since his home is a mobile home it should be noted that "trailer homes values go down instead of up". He failed however to produce support of this claim.

averages to present the value. The presentation shows he spent a lot of time and effort on the research for this hearing.

However, the basis of valuation as stated in Tennessee Code Annotated § 67-5-601(a) provides (in relevant part) that “[t]he value of all property shall be ascertained from the evidence of its sound, intrinsic and immediate value, for purposes of sale between a willing seller and a willing buyer without consideration of speculative values....”

General appraisal principles require that the market, cost and income approaches to value be used whenever possible.³ However, certain approaches to value may be more meaningful than others with respect to a specific type of property and such is noted in the correlation of value indicators to determine the final value estimate. The value indicators must be judged in three categories: (1) the amount and reliability of the data collected in each approach; (2) the inherent strengths and weaknesses of each approach; and (3) the relevance of each approach to the subject of the appraisal. *Id.* at 597-603.

The value to be determined in the present case is market value. A generally accepted definition of market value for ad valorem tax purposes is that it is the most probable price expressed in terms of money that a property would bring if exposed for sale in the open market in an arm's length transaction between a willing seller and a willing buyer, both of whom are knowledgeable concerning all the uses to which it is adapted and for which it is capable of being used. *Id.* at 21-22.

The administrative judge finds that the taxpayer's average analysis argument must be rejected; Mr. Moore failed to properly adjust his comparables using the acceptable Appraisal standards.⁴ The administrative judge finds that the April 10, 1984, decision of the State Board of Equalization in *Laurel Hills Apartments, et. al.* (Davidson County, Tax Years 1981 and 1982) holds that “as a matter of law property in Tennessee is required to be valued and equalized according to the “Market Value Theory’.” As stated by the Board, the Market Value Theory requires that property “be appraised

³ Appraisal Institute, *The Appraisal of Real Estate* at 50 and 62. (12th ed. 2001).

⁴ Elements of comparison are the characteristics of properties and transactions that explain the variances of prices paid for real estate. There are ten (10) basic elements of comparison that should be considered in sales comparison analysis. *The Appraisal of Real Estate*, 12th Edition, p426

annually at full market value and equalized by application of the appropriate appraisal ratio . . .” *id.* at 1.

The administrative judge finds that the fair market value of subject property as of January 1, 2005 constitutes the relevant issue. After having reviewed all the evidence in this case; the administrative judge finds that the taxpayer has not sustained his burden and that the subject property should remain at the previously assessed values.

While Mr. Moore lists several comparable properties he has failed to adjust or equalize these to the subject according to the generally accepted standards of practice for the industry.⁵

Since the taxpayer is appealing from the determination of the Wilson County Board of Equalization, the burden of proof is on the taxpayer. See State Board of Equalization Rule 0600-1-.11(1) and *Big Fork Mining Company v. Tennessee Water Quality Control Board*, 620 S.W.2d 515 (Tenn. App. 1981).

The Taxpayer has not sustained his burden.

Order

It is, therefore, ORDERED that the following values remain for tax year 2005:

<u>Land Value</u>	<u>Improvement Value</u>	<u>Total Value</u>	<u>Assessment</u>
\$60,000	\$30,600	\$90,600	\$22,650

It is FURTHER ORDERED that any applicable hearing costs be assessed pursuant to Tenn. Code Ann. § 67-5-1501(d) and State Board of Equalization Rule 0600-1-.17.

Pursuant to the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-301—325, Tenn. Code Ann. § 67-5-1501, and the Rules of Contested Case Procedure of the State Board of Equalization, the parties are advised of the following remedies:

1. A party may appeal this decision and order to the Assessment Appeals Commission pursuant to Tenn. Code Ann. § 67-5-1501 and Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization. Tennessee Code Annotated § 67-5-1501(c) provides that an appeal **“must be filed within thirty (30) days from the date the initial decision is sent.”** Rule 0600-1-.12 of the Contested Case

⁵ *The Appraisal of Real Estate*, (12th ed., 2001), pp. 417-448. Comparative analysis is the process by which a value indication is derived in the sales comparison approach. Compare comparable sale properties with the subject using elements of comparison and adjust the price of each comparable to the subject property or eliminate the sale property as a comparable.

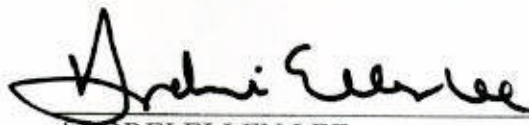
Procedures of the State Board of Equalization provides that the appeal be filed with the Executive Secretary of the State Board and that the appeal **"identify the allegedly erroneous finding(s) of fact and/or conclusion(s) of law in the initial order"**; or

2. A party may petition for reconsideration of this decision and order pursuant to Tenn. Code Ann. § 4-5-317 within fifteen (15) days of the entry of the order. The petition for reconsideration must state the specific grounds upon which relief is requested. The filing of a petition for reconsideration is not a prerequisite for seeking administrative or judicial review; or

3. A party may petition for a stay of effectiveness of this decision and order pursuant to Tenn. Code Ann. § 4-5-316 within seven (7) days of the entry of the order.

This order does not become final until an official certificate is issued by the Assessment Appeals Commission. Official certificates are normally issued seventy-five (75) days after the entry of the initial decision and order if no party has appealed.

ENTERED this 7th day of March, 2006.



ANDREI ELLEN LEE
ADMINISTRATIVE JUDGE
TENNESSEE DEPARTMENT OF STATE
ADMINISTRATIVE PROCEDURES DIVISION

cc: Mr. James H. Moore, Taxpayer
Mr. Jimmy Locke, Wilson County Property Assessor's Office